

2SHB 1738 - H AMD 530

By Representative Cody

ADOPTED 04/06/2011

1 On page 25, line 27, after "services" strike all material through  
2 "appropriate" on line 28 and insert "subject to rules adopted by the  
3 authority or department"

4  
5 On page 44, line 30, after "~~department~~)" strike "Subject to  
6 available funds, the" and insert "The"

7  
8 On page 47, line 32, after "act" strike "and subject to available  
9 funds"

10  
11 On page 119, after line 30, insert the following:

12  
13 "**Sec. 118.** RCW 74.09A.005 and 2007 c 179 s 1 are each amended to  
14 read as follows:

15 The legislature finds that:

16 (1) Simplification in the administration of payment of health  
17 benefits is important for the state, providers, and health insurers;

18 (2) The state, providers, and health insurers should take  
19 advantage of all opportunities to streamline operations through  
20 automation and the use of common computer standards;

21 (3) It is in the best interests of the state, providers, and  
22 health insurers to identify all third parties that are obligated to  
23 cover the cost of health care coverage of joint beneficiaries; and

24 (4) Health insurers, as a condition of doing business in  
25 Washington, must increase their effort to share information with the  
26 ((~~department~~)) authority and accept the ((~~department's~~)) authority's  
27 timely claims consistent with 42 U.S.C. 1396a(a)(25).

1       Therefore, the legislature declares that to improve the  
2 coordination of benefits between the (~~department of social and health~~  
3 ~~services~~) health care authority and health insurers to ensure that  
4 medical insurance benefits are properly utilized, a transfer of  
5 information between the (~~department~~) authority and health insurers  
6 should be instituted, and the process for submitting requests for  
7 information and claims should be simplified.

8  
9       **Sec. 119.** RCW 74.09A.010 and 2007 c 179 s 2 are each amended to  
10 read as follows:

11       For the purposes of this chapter:

12       (1) (~~"Department"~~) "Authority" means the (~~department of social~~  
13 ~~and health services~~) Washington state health care authority.

14       (2) "Health insurance coverage" includes any policy, contract, or  
15 agreement under which health care items or services are provided,  
16 arranged, reimbursed, or paid for by a health insurer.

17       (3) "Health insurer" means any party that is, by statute, policy,  
18 contract, or agreement, legally responsible for payment of a claim for  
19 a health care item or service, including, but not limited to, a  
20 commercial insurance company providing disability insurance under  
21 chapter 48.20 or 48.21 RCW, a health care service contractor providing  
22 health care coverage under chapter 48.44 RCW, a health maintenance  
23 organization providing comprehensive health care services under  
24 chapter 48.46 RCW, an employer or union self-insured plan, any private  
25 insurer, a group health plan, a service benefit plan, a managed care  
26 organization, a pharmacy benefit manager, and a third party  
27 administrator.

28       (4) "Computerized" means online or batch processing with  
29 standardized format via magnetic tape output.

30       (5) "Joint beneficiary" is an individual who has health insurance  
31 coverage and is a recipient of public assistance benefits under  
32 chapter 74.09 RCW.

33

34

1       **Sec. 120.** RCW 74.09A.020 and 2007 c 179 s 3 are each amended to  
2 read as follows:

3       (1) The (~~department~~) authority shall provide routine and  
4 periodic computerized information to health insurers regarding client  
5 eligibility and coverage information. Health insurers shall use this  
6 information to identify joint beneficiaries. Identification of joint  
7 beneficiaries shall be transmitted to the (~~department~~) authority.  
8 The (~~department~~) authority shall use this information to improve  
9 accuracy and currency of health insurance coverage and promote  
10 improved coordination of benefits.

11       (2) To the maximum extent possible, necessary data elements and a  
12 compatible database shall be developed by affected health insurers and  
13 the (~~department~~) authority. The (~~department~~) authority shall  
14 establish a representative group of health insurers and state agency  
15 representatives to develop necessary technical and file specifications  
16 to promote a standardized database. The database shall include  
17 elements essential to the (~~department~~) authority and its  
18 population's health insurance coverage information.

19       (3) If the state and health insurers enter into other agreements  
20 regarding the use of common computer standards, the database  
21 identified in this section shall be replaced by the new common  
22 computer standards.

23       (4) The information provided will be of sufficient detail to  
24 promote reliable and accurate benefit coordination and identification  
25 of individuals who are also eligible for (~~department~~) authority  
26 programs.

27       (5) The frequency of updates will be mutually agreed to by each  
28 health insurer and the (~~department~~) authority based on frequency of  
29 change and operational limitations. In no event shall the  
30 computerized data be provided less than semiannually.

31       (6) The health insurers and the (~~department~~) authority shall  
32 safeguard and properly use the information to protect records as  
33 provided by law, including but not limited to chapters 42.48, 74.09,  
34 74.04, 70.02, and 42.56 RCW, and 42 U.S.C. Sec. 1396a and 42 C.F.R.

1 Sec. 43 et seq. The purpose of this exchange of information is to  
2 improve coordination and administration of benefits and ensure that  
3 medical insurance benefits are properly utilized.

4 (7) The ((department)) authority shall target implementation of  
5 this section to those health insurers with the highest probability of  
6 joint beneficiaries.

7  
8 **Sec. 121.** RCW 74.09A.030 and 2007 c 179 s 4 are each amended to  
9 read as follows:

10 Health insurers, as a condition of doing business in Washington,  
11 must:

12 (1) Provide, with respect to individuals who are eligible for, or  
13 are provided, medical assistance under chapter 74.09 RCW, upon the  
14 request of the ((department)) authority, information to determine  
15 during what period the individual or their spouses or their dependants  
16 may be, or may have been, covered by a health insurer and the nature  
17 of coverage that is or was provided by the health insurer, including  
18 the name, address, and identifying number of the plan, in a manner  
19 prescribed by the ((department)) authority;

20 (2) Accept the ((department's)) authority's right to recovery and  
21 the assignment to the ((department)) authority of any right of an  
22 individual or other entity to payment from the party for an item or  
23 service for which payment has been made under chapter 74.09 RCW;

24 (3) Respond to any inquiry by the ((department)) authority  
25 regarding a claim for payment for any health care item or service that  
26 is submitted not later than three years after the date of the  
27 provision of such health care item or service;

28 (4) Agree not to deny a claim submitted by the ((department))  
29 authority solely on the basis of the date of submission of the claim,  
30 the type or format of the claim form, or a failure to present proper  
31 documentation at the point-of-sale that is the basis of the claim, if:

32 (a) The claim is submitted by the ((department)) authority within  
33 the three-year period beginning on the date the item or service was  
34 furnished; and

1 (b) Any action by the (~~department~~) authority to enforce its  
2 rights with respect to such claim is commenced within six years of the  
3 (~~department's~~) authority's submission of such claim; and

4 (5) Agree that the prevailing party in any legal action to enforce  
5 this section receives reasonable attorneys' fees as well as related  
6 collection fees and costs incurred in the enforcement of this  
7 section."

8  
9 Renumber the remaining sections consecutively and correct any  
10 internal references accordingly. Correct the title.

11

EFFECT: Eliminates the conditioning of care and services under Department of Social and Health Services (DSHS) medical services programs to the availability of funds. Eliminates the conditioning of prostate cancer screenings and the maternity care access program to the availability of funds.

Transfers existing DSHS responsibilities to coordinate with health insurers regarding health benefits for recipients of medical services provided by the DSHS to the Health Care Authority (HCA). Changes references from DSHS to the HCA with respect to provisions that condition business operations for health insurers in Washington upon agreeing to allow the state to recover payments for insured individuals who are also enrolled in medical services programs.

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